

CHAIRMAN AND COMMISSION ROLES
IN A REVISED PBPM PROCESS

Arthur Andersen's recommendations alter the PBPM process in several ways. While the basic framework remains in tact, the PBPM recommendations alter the process by:

- Emphasizing up-front leadership involvement in planning
- Establishing clearly defined measurable outcomes
- Strategically allocating resources at levels needed to achieve outcomes
- Developing a performance management reporting system that provides a systematic means of tracking performance against outcomes and making necessary adjustments throughout the year.

In addition to altering the PBPM process, the recommendations have specific implications for the roles of the Chairman and Commission within the first three of the four PBPM process phases. The following three paragraphs describe recommended role changes for planning, budgeting and performance measurement.

Planning:

The changes suggested for the PBPM process would have the Chairman and Commission more involved in up-front planning and direction setting and less involved at a detail level in budget review. Specifically:

- The Chairman and each Commissioner is interviewed by strategic planning support group at beginning of effort to revise or up-date strategic direction to get their input on changes needed in strategic, performance and supporting plans, and outcome measures of NRC success.
- The Chairman and Commission review/approve changes in strategic direction developed by top NRC management. Also review/approve guidance for developing performance/operating plans and budget allocations.
- The Chairman and Commission review/approve performance plan which includes strategies and outcomes linked to agency goals and a strategic budget allocation to those outcomes

Such process changes would create alignment from the commission and top management down through the staff on strategic goals, key agency outcome measures of success, strategies to achieve goals, and additional measures of those strategies necessary to manage the agency for achievement of agency outcomes.

Budgeting:

Decisions about resource allocations would be more strategic – for example, determining the right level of investment to achieve a strategy or outcome. Budgets would be presented to the Chairman and Commission in the “blue book” form currently forwarded to OMB. Specifically, the Chairman and Commission would review/approve a performance-based budget, which would take resource allocations

down to the supporting activities and measures necessary to manage for success towards key agency outcomes. The framework used for the first time this year to consolidate the performance plan with the budget would be improved because the alignment between goals, outcomes, strategies, and supporting measures would be complete.

Performance Measurement

The Chairman and Commissioners would receive quarterly performance reports tracking progress relating to key outcome measures and actions taken or plans to deal with performance results that fall outside predefined parameters. Opportunities would exist to inquire further about areas of special interest. The quarterly performance review cycle also provides a structured method for considering new initiatives (ie: Staff Requirements Memorandums) as part of the ongoing PBPM process and understanding the implications of addressing them within the context of agreed upon goals and outcomes. Specifically, the

- Chairman and Commission would receive quarterly performance tracking reports along with the ability to request, on an exception basis, more information on areas of special interest. (note: the EC will be conducting regular quarterly performance reviews using these reports)
- Chairman and Commission would have the opportunity to review and discuss performance against results during semi-annual meetings with EC.
- Chairman, Commission and agency management would focus on defining expected results and creating a management environment that aligns the agency and supports and empowers the staff.

Essentially, the Chairman and Commission's strong involvement during the planning phase and at key points during the budgeting and performance measurement phases would allow them to focus on guiding agency direction and managing the agency as a whole towards measurable outcomes. The role of agency management and staff would be defining the means for achieving outcomes, executing plans, and remaining accountable for performance results.